

Makes Good Address

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missible, under the national banking act for banks to organize with a capital of \$725,000. The security which banks offer the depositors depends upon the amount of capital, the amount of surplus and public confidence in the officers of little experience and indifferent reputation cannot offer the public exactly the same security for the payment of deposits as a bank with a capital of \$500,000 and a surplus of \$250,000 and with officers known to be honest and able. Depositors, therefore insofar as security of deposits is concerned are as likely to make their deposits in the \$25,000 banks as in the bank with the capital of \$500,000.

"It is proposed to introduce into the law a limitation as to the amount of interest which under the system can be offered and paid on deposits. This it is said will prevent banks from offering excessive rates of interest to obtain deposits. A limitation of this sort is difficult to fix, because conditions vary so much in different parts of the country. That which would be high in one part of the country would be low in another, and that which would be high in one season and under certain conditions would be low at another time. Hence, whatever limitation is imposed, except when the normal interest is highest there must always be an opportunity for those inviting deposits to pay a higher rate than that which conservative bankers would pay.

"If the losses were limited to one twenty-sixth of one per cent the amount of the tax on deposits of course would be small and each bank could readily pay it, although the principal would be an entire departure from equity; but the effect of a guaranty system on the character of banking would be such that the losses arising from recklessness would greatly increase, and the tax must increase to meet the losses on every bank in proportion. Instead of loss equal to one twenty-sixth of one per cent annually it would rapidly increase in every financial stringency. Two objections are made to the conclusion that an enforced guaranty system would lead to reckless and disaster in banking. One is that the government examinations would prevent, and the other is that an insult to the banking community to assume that the national bankers of this country, in view of their present high character would yield to the temptation to recklessness presented by the system. I answer to the first objection that the government examinations do not now prevent banks from failing; that it is difficult for a bank examiner to discover the unwise recklessness and speculative loans, and that often such loans are made between the government examinations and then the evil is done and cannot be remedied by strict supervision. Second, while I fully concede the general high character of the bankers throughout this country, my point is that the opportunity to obtain deposits and invest them on very little capital afforded by the guaranty security will attract into the banking business men of no experience and of speculative tendencies and will distinctly lower the tone of the banking business.

THE KANSAS LAW.

"It has been said by Mr. Bryan that the republicans of Kansas by adopting a plank in favor of a kind of guaranty of deposits, rebuke me for my opposition to the plan outlined in the democratic platform. This is entirely inaccurate. The republicans of Kansas have recommended the passage of a law by which banks if they choose may enter into arrangements with other banks by which they shall all be subject to an assess-

ment to pay the loss to depositors in any bank in the agreement. It is the voluntary feature of the Kansas proposal that makes the radical difference between it and that of the democratic platform. It is entirely conceivable that banks in the same neighborhood and within the observation of each other may profitably and safely accept and guarantee the security of all for the benefit of each, especially when they can select their partners.

"One of the great merits claimed for the enforced guaranty of deposits is that it will prevent panics. It is sufficient to say that the plan proposed cannot prevent panics. A panic is not stayed by the promise that money will ultimately be forthcoming. It can only be stayed by the production of money itself. When a financial stringency is on, it is the cash the man needs and to say that he will get it next week certainly does not assist him. No one who has heard that his bank was going to fail will delay in immediately applying for his money merely because he is assured that at some time in the future he will get it. Therefore, the system could not stay the panics unless the funds were large enough to enable the banks to pay all of their depositors at the time of the run. A tax is proportioned only to the loss sustained after liquidation and payment, so that the funds would be utterly inadequate to meet the demand for ready money which would prevent a panic. The total deposits of the national banks are \$5,000,000,000. One-half of one per cent upon that, and this is a much large percentage than proposed would make a fund of \$25,000,000. The amount of money that was needed to stay the late panic in New York banks alone was many times this sum. In other words, the cash needed to stay a panic it is impossible to accumulate in any other way except by such emergency measure as is provided in the Aldrich-Vreeland bill in which banks are given an opportunity upon proper security to issue \$500,000,000 to meet such an emergency, and are prevented from over-issuing by the imposition of heavy tax of five per cent. The proposed guaranty plan also invites the co-operation of state banks and proposes that they shall have an opportunity to come into the same guaranty. The practical objections and difficulties do not frighten Mr. Bryan at all. He pays no attention to the difference between state banks and national banks, or to the fact that state banks are authorized to lend money on real estate whereas the national banks are prevented from so doing. The difference from the business and the tying up of assets between the systems is radical. It would be impossible to bring in the state banks without making the supervision of them as strict as on the national banks, and if that supervision is to be strict, it must be under national auspices, and therefore in effect they must become national banks. This will entirely destroy the system of state banks and will introduce into the national banking trust companies and savings banks.

"Mr. Bryan says that as the government has the security why should not the individual depositor have the security? The government usually has a large fund. The law requires that it exacts security for its deposits. It is so large a fund that the banks can afford to give good security to obtain it. It is to be observed, however, that the security given to the government is the security of the banks which get the deposits and not the security of every other bank in the community. If, as between the banker and his depositor, the deposit is of sufficient benefit to make it an object of the bank to give security that is one thing; but to require every other bank to give security to that depositor is an entirely different thing. I understand that in Okla-

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These price reductions will seem like dreams to the economical buyer, but a visit to our store will prove them to be joyful realities. Buy your clothing now—you can make no mistake in anticipating your future needs—not for a long time will you again have the opportunity of doing so. As first priced at the beginning of the season, this clothing offered unusual values—as now priced at our Clearance Sale, the values are simply marvelous. No money-making prices, but money-saving prices.

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Savings Deposits are received from \$1 up, on which interest is paid. This form of deposit is of especial value in building up a bank account, as it admits of withdrawals or additional deposits at any time. Every incentive consistent with safety is offered to patrons of this department. Our neat home savings banks, as an aid to saving, is loaned free to those who want them.

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ma under this very law which is proposed to make national bonds are exacted by the state and county from the secured banks to protect the public deposits.

"I think I have shown that the tendency of the system proposed would be to destroy the high character of the present banking. This is not, however, to be taken as an argument that the security of deposits is not a good thing and is not to be brought about as fully and perfectly as possible. It is only to show that the methods here suggested is a plausible but sophistical method that will not accomplish the purpose but will ultimately increase the losses from bank failures.

"The case of Oklahoma has been cited as an instance to justify the democratic platform. The system has been in operation only since March of this year. No panic or other financial disturbance hastened its efficiency. The statement is made that the public has so much confidence in the banks that the deposits in the unsecured banks are running down and the deposits in the secured bank are running up. If my correspondents in

Oklahoma can be accredited, this increase of deposits was due to the fact that \$3,000,000 of the state money received from the government for public school lands was removed from the national banks and put in the state banks operating upon the guaranty which would explain nearly all the increase in deposits. The postal savings bank system has a guaranty by the government under circumstances which justify it, because it receives and husbands the deposits. This guaranty will, of course, attract deposits, but the interest fund is so low that the usual courses of savings banks will not be drawn away a experience in all other countries shows. The democratic platform proposes, if the guaranty system cannot be put into effect, to then adopt the postal savings bank, as if the guaranty system supplied the means met by the postal savings banks.

"This is entirely untrue. No enforced guaranty system will supply what the postal savings banks will supply. It merely attempts to make secure the present deposits. It can, of course, have no effect to extend the bank into the remote districts of the country where savings banks are needed but are unprofitable and where the many proposed money order offices turned to the savings banks, will induce thrift and the gathering of capital for the improvement of the country."

DOUBLE SHOOTING.

One Fatally During Quarrel With Expressman.

OAKLAND, Sept. 26.—During a quarrel while under the influence of liquor, Harry Hammer and Fred Smith, both carpenters, were shot, Hammer fatally, by an expressman named Jackson.

Jackson escaped. The shooting occurred on the half-way house on the San Leandro road.

For a Sprained Ankle.

A sprained ankle may be cured in about one-third the time usually required, by applying Chamberlain's Palm Balm freely, and giving it absolute rest. For sale by Frank Hart and leading druggists.

Don't be afraid to give Chamberlain's Cough Remedy to your children. It contains no opium or other harmful drug. It always cures. For sale by Frank Hart and leading druggists.

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